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JORDEN & BISCHOFF, P.L.C.
Charles A. Bischoff (Arizona Bar No. 005385)
7272 East Indian School Road, Suite 205
Scottsdale, Arizona 85251
(480) 505-3900
Attorneys for Queen Creek Water Company

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION
OF H2O, INC., FOR AN EXTENSION OF
ITS EXISTING CERTIFICATE OF
CONVENIENCE AND NECESSITY.

DOCKET NO. W-02234A-00-0371

IN THE MATTER OF THE APPLICATION
OF JOHNSON UTILITIES, L.L.C., DBA
JOHNSON UTILITIES COMPANY, FOR AN
EXTENSION OF ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY TO
PROVIDE WATER AND WASTEWATER
SERVICE TO THE PUBLIC IN THE
DESCRIBED AREA IN PINAL COUNTY,
ARIZONA.

DOCKET NO. W-02987A-99-0583

IN THE MATTER OF THE APPLICATION
OF JOHNSON UTILITIES, L.L.C., DBA
JOHNSON UTILITIES COMPANY, FOR AN
EXTENSION OF ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY TO
PROVIDE WATER AND WASTEWATER
SERVICE TO THE PUBLIC IN THE
DESCRIBED AREA IN PINAL COUNTY,
ARIZONA.

DOCKET NO. WS-02987A-00-0618

IN THE MATTER OF THE APPLICATION
OF DIVERSIFIED WATER UTILITIES,
INC. TO EXTEND ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY.

DOCKET NO. W-02859A-00-0774

IN THE MATTER OF THE APPLICATION
OF QUEEN CREEK WATER COMPANY
TO EXTEND ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY.

DOCKET NO. W-01395A-00-0784

NOTICE OF FILING
COUNTY FRANCHISES

Arizona Corporation Commission

DOCKETED

MAR 29 2002

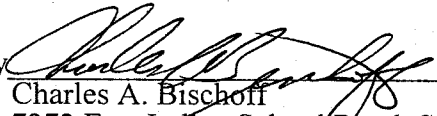
DOCKETED BY

mau

1 Pursuant to Decision No. 64062, Queen Creek Water Company hereby files the attached
2 county franchises for the parcels amending its Certificate of Convenience and Necessity.

3 RESPECTFULLY SUBMITTED this 29th day of March, 2002.

4 JORDEN & BISCHOFF, P.L.C.
5
6

7 By 
8 Charles A. Bischoff
9 7272 East Indian School Road, Suite 205
10 Scottsdale, Arizona 85255
11 Attorneys for Queen Creek Water Company

12 AN ORIGINAL and twenty copies
13 of the foregoing were filed
14 this 29th day of March, 2002 with:

15 Docketing Supervisor
16 Docket Control
17 Arizona Corporation Commission
18 1200 West Washington Street
19 Phoenix, AZ 85007

20 A COPY of the foregoing
21 was delivered this 29th
22 day of March, 2002 to:

23 Marc Stern, Hearing Officer
24 Arizona Corporation Commission
25 1200 West Washington Street
26 Phoenix, AZ 85007

27 Teena Wolfe, Esq.
28 Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Patrick C. Williams
Manager, Compliance and Enforcement
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

1 A COPY of the foregoing
2 was mailed this 29th
day of March, 2002 to:

3 Thomas H. Campbell
Lewis & Roca
4 40 North Central Avenue
Phoenix, AZ 85004-4429
5 Attorney for Johnson Utilities, L.L.C.

6 William P. Sullivan
MARTINEZ & CURTIS
7 2712 North 7th Street
Phoenix, AZ 85006-1090

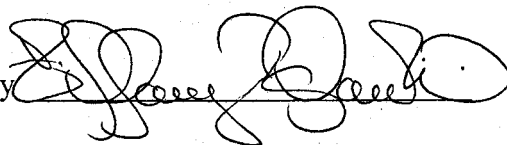
8 Jay L. Shapiro
9 Karen E. Errant
Fennemore Craig, P.C.
10 3003 North Central Avenue
Phoenix, AZ 85012-2913
11 Attorneys for H2O, Inc.

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Pantano Development Limited Partnership
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Phoenix, AZ 85018-6702

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15 Salmon, Lewis & Weldon
4444 North 32nd Street, Suite 200
16 Phoenix, AZ 85018

17 Dick Ames
Vistas Partners, L.L.C.
18 1121 West Warner Road, Suite 109
Tempe, AZ 85284

19 Kathy Almena
20 Wellford, O.K.
3850 East Baseline Road, Suite 123
21 Mesa, AZ 85206

22
23 By 
24
25
26
27
28

MARICOPA COUNTY FRANCHISE

BEFORE THE BOARD OF SUPERVISORS

OF

MARICOPA COUNTY, STATE OF ARIZONA

IN THE MATTER OF THE APPLICATION OF)

QUEEN CREEK WATER COMPANY)

FRANCHISE)

FOR A FRANCHISE)

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF MARICOPA COUNTY, STATE OF ARIZONA, THAT:

WHEREAS, QUEEN CREEK WATER COMPANY hereinafter designated as the Grantee, doing business in Maricopa County, Arizona, bearing date of April 10, 2001, praying for the right, privilege, license and franchise to construct, maintain and operate a domestic water distribution system, consisting of pipelines, meters, connections, and all necessary equipment, for a period not to exceed twenty-five (25) years or for a period of one (1) year after the franchised area or a portion thereof is annexed by a municipality, whichever is shorter, for QUEEN CREEK WATER COMPANY, along, upon, under and across public highways, roads, alleys and thoroughfares (excepting State Highways), within that portion of Maricopa County, Arizona, known and described as follows, to-wit:

The E ¼ of Section 14, Township 2 South, Range 7 East, G&SRB&M, Maricopa County, Arizona;

and not within the confines of any incorporated city or town, and under such restrictions and limitations and upon such terms as the Board of Supervisors may provide, not inconsistent with the laws of the State of Arizona, or the orders and rules of the Corporation commission of the State of Arizona, and that the Board take such proceedings herein as is provided by laws of the State of Arizona; and

WHEREAS, upon filing said application, the said Board of Supervisors on the 2nd day of May, 2001, ordered that public notice of the intention of said Board to make such grants be given by publishing a notice in the official newspaper of Maricopa County, published in the County of Maricopa, State of Arizona, and that 9:00 a.m., on the 6th day of June, 2001, at the meeting room of said Board of Supervisors located at 205 West Jefferson Street, in the City of Phoenix, Arizona, be set as the time and place of hearing the said application; and

WHEREAS, the said application coming on regularly for hearing on said day and it appearing by the affidavit of the duly authorized agent of the said time and place set for the consideration of such application has been published for at least once a week for the three-week period prior to said date set forth herein, to-wit:

In the issues of the said newspaper on May 10, 17, and 24, 2001, and it appearing that no sufficient protest has been filed by the qualified electors of the said County petitioning said Board of Supervisors to deny such license and franchise, and it further appearing the best interests of Maricopa County will be served by the granting of said application and the franchise referred to therein;

NOW, THEREFORE, the Board of Supervisors of Maricopa County, State of Arizona, acting on behalf of said County does hereby grant unto QUEEN CREEK WATER COMPANY, doing business in Maricopa County, Arizona, subject to the terms, conditions and limitations hereinafter contained, the right, privilege, license and franchise to construct, maintain and operate a domestic water distribution system, consisting of pipelines, meters, connections, and all necessary equipment, for a period of not-to-exceed twenty-five (25) years or for a period of one (1) year after the franchised area is annexed by a municipality,

whichever is shorter, for the supplying of this service along, upon, under and across the public highways, roads, alleys and thoroughfares (excepting State highways) within that portion of Maricopa County, Arizona, hereinabove described, under such restrictions and limitations and upon such terms as this Board at any time may provided, not inconsistent with the laws of the State of Arizona, or the orders and rules of the Corporation Commission of the State of Arizona, specifically providing, however, that:

- 1) All rights hereunder are granted under the express condition that the Board of Supervisors of said Maricopa County shall have the power at any time to impose such restrictions and limitations and to make such regulations on such highways, roads, and thoroughfares as may be deemed best for the public safety, health, welfare and convenience.
- 2) All rights hereby granted shall be exercised so as to not interfere or conflict with any easements or rights-of-way heretofore granted by said Board of Supervisors and now in force.
- 3) All rights hereby granted shall be exercised so as not to interfere or conflict with any easement, either public or private, of whatsoever nature, which has been acquired in or to the proper use of said highway, roads, and thoroughfares, or any portion thereof.
- 4) All rights hereby granted shall be exercised so as not to interfere or conflict with or endanger in any way the proper use by the public of said highways, roads, and thoroughfares, or any portion thereof.
- 5) That the said Grantee shall bear all expenses incurred including damages and compensation for the alteration of the course, direction, surface, grade or alignment of any of the said highways, roads and thoroughfares necessarily made by the said grantee for the purpose of this franchise; that said grantee will maintain his equipment from time to time as may be needed, without the necessity of notice from Maricopa County. In the event the said grantee shall fail to make any repairs within ten days from the time same becomes necessary, then Maricopa County may cause the same to be made, and said grantee agrees to pay Maricopa County the cost thereof.
- 6) That all property of the franchise be installed and operated by the said grantee and shall be placed, removed or relocated, initially and throughout the term of this franchise, along, in, over, under and across the said highway, roads and thoroughfares, in such a manner and location as the Board of Supervisors or its duly authorized agents may designate. Such placement, removal or relocation shall be done at the sole expense of the grantee upon a determination by the Board of Supervisors of Maricopa County that such placement, removal or relocation is necessary.

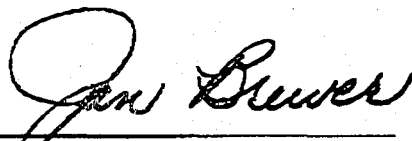
If the grantee fails or refuses to so remove or relocate, Maricopa County may so remove or relocate, at the sole expense of grantee, such expense to include any and all damages and compensation of whatsoever nature arising therefrom.

In this section the term "property" includes conduits, pipe, wires, poles, or other structures and appliances used to supply or deal in gas, electricity, lights, water, heat, refrigeration, power, telephones, telegraph, television and other public utilities.

Any finding or determination made by the Board of Supervisors pursuant hereto shall be final and binding upon the grantee whether or not such findings or determinations relates to the requirements of public safety or welfare, the use of public roads or the need for proposed improvements, and whether or not the function to be served by such removal or relocation is of a governmental or proprietary nature.

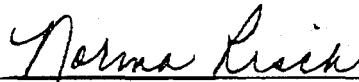
- 7) That said grantee shall indemnify and save harmless, the said County of Maricopa from all costs, expense and liabilities in connection with the granting of this franchise and exercise of the same by them.
- 8) That the rights of any person claiming to be injured in any manner by the maintenance of said projects and equipment shall not be affected hereby.
- 9) That the terms and conditions of this franchise shall inure to the benefit of, and be binding upon, all the heirs and assigns of the said Grantee.
- 10) That the franchise and privilege herein granted shall not be deemed to be exclusive and the said Board of Supervisors hereby expressly reserves the right and power to grant from time to time similar franchises and privileges over the same territory and highways, roads and thoroughfares.
- 11) This franchise is granted upon the express condition that the Certificate of Convenience and Necessity be procured from the Corporation Commission of the State of Arizona and the Certificate of Assured Water Supply be procured from the Arizona Department of Water Resources and proof thereof submitted to the Board of Supervisors within six months from the date of granting of this franchise; and if such Certificates are not granted within six months from said date, then this franchise to be void, otherwise to be in full force and effect for the time herein specified.
- 12) All materials and construction methods used with the public right-of-way shall conform to the applicable standards, specifications and special provisions currently in effect in Maricopa County.
- 13) The Franchise holder shall obtain a construction permit from the Office of the County Engineer prior to construction of any facilities in the public right-of-way.

DATED this 6th day of June, 2001



Chairman, Board of Supervisors

ATTEST:


Deputy Clerk, Board of Supervisors

PINAL COUNTY FRANCHISE

OFFICIAL RECORDS OF
PINAL COUNTY RECORDER
LAURA DEAN-LITTLEDATE: 05/18/01 TIME: 1420
FEE : 0.00
PAGES: 8
FEE NO: 2001-022230**Expansion and Amendment Of The Queen Creek Water Company Franchise**

WHEREAS, Queen Creek had received a domestic and irrigation water franchise from Pinal County to establish and maintain domestic and irrigation water services on Queen Creek Water Company; see document number 1998-032980 in the Office of the Pinal County Recorder (hereinafter "Original Franchise"), amended on September 23, 1998, and December 13, 2000.

WHEREAS, Queen Creek Water Company, a(n) Arizona public service corporation, duly authorized to conduct business in the State of Arizona, has duly filed and presented to the Board of Supervisors of the County of Pinal, State of Arizona, its application for expansion of the Original Franchise for the purpose of constructing, operating and maintaining domestic and irrigation water lines and related appurtenances along, under and across the public streets, alleys and highways, except federal and state highways, within the unincorporated area of Pinal County, Arizona, as described in Exhibit "A" attached hereto (hereinafter "Expansion").

WHEREAS, upon filing of Queen Creek Water Company's application for the Expansion, the Board of Supervisors of Pinal County ordered a public notice of its intent to consider the granting of the Expansion to be published in a newspaper of general circulation, in Pinal County, Arizona, stating the time and place for consideration of the Expansion was set for 9:30 a.m. on May 16, 2001, at the Pinal County Board of Supervisors' Hearing Room, Administration Building No. 1, Florence, Arizona.

WHEREAS, said application for the Expansion and Amendment having come on regularly for hearing at 9:30 a.m. on May 16, 2001; and it appearing from the affidavit of the publisher of the Florence Reminder & Blade Tribune that due and regular notice of said time and place set for the consideration of such action has been published for at least once a week for three consecutive weeks prior to said hearing date, to-wit: in the issues of the Florence Reminder & Blade Tribune published on April 26, May 3 and May 10, 2001; and the matter being called for hearing at 9:30 a.m., and an opportunity having been given to all interested parties to be heard.

WHEREAS, the Board of Supervisors of Pinal County has the power to amend an existing franchise under its general police powers in such matters.

NOW, THEREFORE,

Section 1: DEFINITIONS

Third Amended
Queen Creek Water Company Franchise

The following terms used in this expansion and amendment of the Original Franchise shall have the following meanings:

- A. County: Pinal County, Arizona
- B. Board: Board of Supervisors of Pinal County, Arizona.
- C. Grantor: Pinal County, by and through its Board of Supervisors
- D. Grantee: Queen Creek Water Company, a(n) corporation, its successors and assigns
- E. Grantee's Facilities: domestic and irrigation water lines and related appurtenances

Section 2: GRANT

Grantor, on May 16, 2001, hereby grants to Grantee, for a period of time not to exceed the Original Franchise, this expanded and amended franchise (hereinafter "Third Amended Franchise") for the purpose of constructing, operating and maintaining domestic and irrigation water lines and related appurtenances along, under and across public streets, alleys and highways, except federal and state highways, under the terms and conditions set forth herein within the unincorporated area of Pinal County, Arizona, as described in the Expansion and the Original Franchise (hereinafter "Franchise Area").

Section 3: ACCEPTANCE BY GRANTEE / EFFECTIVE DATE FRANCHISE

The Third Amended Franchise shall be accepted by Grantee by written instrument in the form attached hereto as Exhibit "B" (hereinafter "Acceptance"), executed and acknowledged by it as a deed is required to be, and filed with the Clerk of the Pinal County Board of Supervisors within thirty days after the date this Third Amended Franchise is accepted by County. This Third Amended Franchise shall be effective upon delivery of the Acceptance to the Clerk of the Pinal County Board of Supervisors in the form required and within the time specified above.

Section 4: LIMITS ON GRANTEE'S RECOURSE

A. Grantee by its acceptance of the Third Amended Franchise acknowledges such acceptance relies upon grantee's own investigation and understanding of the power and authority of the County to grant said franchise. Grantee by its acceptance of the Third Amended Franchise accepts the validity of the terms and conditions of the Third Amended Franchise in their entirety and agrees it will not, at any time, proceed against County in any claim or proceeding challenging any term or provision of the Third Amended Franchise as unreasonable, arbitrary or void, or that County did not have the authority to impose such term or condition.

B. Grantee by accepting the Third Amended Franchise acknowledges that it has not been induced to accept the same by any promise, verbal or written, by or on behalf of County or by any

third person regarding any term or condition of the Third Amended Franchise not expressed therein. Grantee by its acceptance of the Third Amended Franchise further pledges that no promise or inducement, oral or written, has been made to any employee or official of County regarding receipt of the Third Amended Franchise.

C. Grantee by its acceptance of the Third Amended Franchise further acknowledges that it has carefully read the terms and conditions of the Third Amended Franchise and accepts without reservation the obligations imposed by the terms and conditions herein.

D. In case of conflict or ambiguity between the Third Amended Franchise and the Original Franchise, the provision which provides the greatest benefit to County, as determined solely by County, shall prevail.

E. The Board's decision concerning its selection and awarding of the Third Amended Franchise shall be final.

Section 5: SEVERABILITY

If any section, provision, term or covenant or any portion of any section, provision, term or covenant of the Third Amended Franchise is determined to be illegal, invalid or unconstitutional, by any court of competent jurisdiction or by any state or federal regulatory agency having jurisdiction thereof, such determination shall have no effect on any remaining portion of such section, provision, term or covenant or the remaining sections, provisions, terms or covenants of the Third Amended Franchise, all of which will remain in full force and effect for the term of the Third Amended Franchise or any renewal or renewals thereof.

Section 6: NOTICE

Notices required under the Third Amended Franchise shall be delivered or sent by certified mail, postage prepaid to:

Grantor:

Clerk of the Pinal County Board of Supervisors
P.O. Box 827
31 N. Pinal
Florence, Arizona 85232

Grantee:

Queen Creek Water Company
P.O. Box 366
Queen Creek, AZ 85242

Third Amended
Queen Creek Water Company Franchise

The delivery or mailing of such notice shall be equivalent to direct personal notice and shall be deemed to have been given at the time of delivery. Either party may change its address under this section by written notice to the other party.

IN WITNESS WHEREOF, the Board of Supervisors of Pinal County, Arizona, by its Chairman and its Clerk, thereunto duly authorized, has hereunto set its hand and cause its official seal to be affixed on May 16, 2001.



PINAL COUNTY BOARD OF SUPERVISORS

Jimmie B. Kerr
Jimmie B. Kerr, Chairman

ATTEST:

Sheri Cluff Deputy Clerk
Sheri Cluff, Clerk of the Board

APPROVED AS TO FORM:

ROBERT CARTER OLSON
PINAL COUNTY ATTORNEY

Rick V. Husk
Rick V. Husk
Deputy County Attorney

BEFORE THE BOARD OF SUPERVISORS

OF

PINAL COUNTY, STATE OF ARIZONA

In the matter of the Application)

of)

QUEEN CREEK WATER COMPANY)APPLICATION FOR A PUBLIC
SERVICE FRANCHISE)

TO THE HONORABLE BOARD OF SUPERVISORS:

Queen Creek Water Company, an Arizona public service corporation ("Applicant"), doing business in Pinal County, State of Arizona, hereby petitions your body for a Public Service Franchise to construct, maintain and operate

- (A) A domestic water distribution system, consisting of pipe lines, meters, connections, and all necessary equipment, and
- (B) An irrigation water distribution system consisting of pipe lines, ditches gates and all necessary equipment

To serve the residents of

Lots 4, 5, 8, 9, 10 and 11 of Section 30, Township 2 South, Range 8 East,
G&SRB&M, Pinal County, Arizona;

Applicant has made application to the Arizona Corporation Commission for a Certificate of Public Convenience and Necessity to exercise the functions of a public utility to furnish the service described above to persons living within the area described above, subject to the laws of the State of Arizona. If granted franchise, the petitioner proposes to engage in and carry on the business as described above and all other things necessary for performing this service to the public in the area.

II.

Applicant is financially able to undertake installation of performance of this service within the area for which this franchise is requested.

III.

By reason of the facts already stated herein, and because this service is not now available to persons now living, or who may live, within the said area hereinbefore described and because of the further fact that services promptly supplied to waiting customers and prospective applicants will do much to develop and improve the area described, Applicant respectfully petitions your Honorable Board of Supervisors to grant this application for a franchise from the County of Pinal, State of Arizona, to construct, maintain and operate the aforementioned utility for a period to be determined at the hearing on this application along, upon, under and across public highways, roads, alleys, and thoroughfares (excepting State highways) within that portion of Pinal County hereinbefore described and not within the confines of any incorporated city or town and under such restrictions and limitations and under such terms as this Board may provide, not inconsistent with law and order and rules of the Arizona Corporation Commission and that this Board take such proceedings herein as are provided by the laws of the State of Arizona.

DATED at Queen Creek, Arizona, this 10th day of April, 2001.

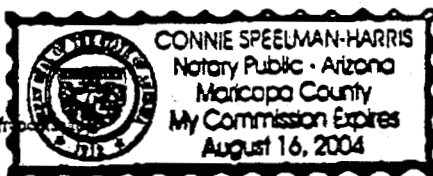
NAME: QUEEN CREEK WATER COMPANY

ADDRESS: P.O. Box 366

Queen Creek, Arizona 85242

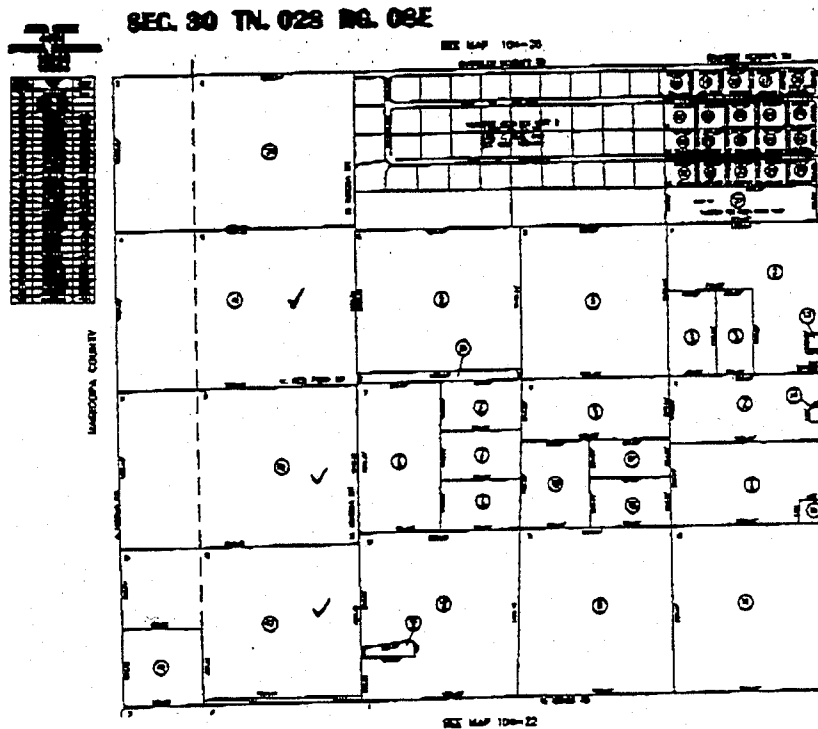
By Paul T. Gardner
Paul T. Gardner
Its PRESIDENT

SUBSCRIBED AND SWORN to before me this 10th day of April, 2001.



Connie Speedman-Harris
Notary Public

104-53 (6614x4315x2 tiff)



104-53

SUN VALLEY FARMS UNIT 4
SURVEY 1-76-80
VINWOOD ESTATES UNIT 1
CHS. C.S.D. 08E

SEE MAP 104-22

FRANK COUNTY ADDRESS MAP

Exhibit B**SAMPLE ACCEPTANCE OF EXPANDED AND AMENDED FRANCHISE**

To: Board of Supervisors Pinal County, Arizona

Grantee, Queen Creek Water Company, a(n) Arizona corporation, does hereby accept the _____ grant of a Third Amended Franchise from Pinal County, Arizona, to construct, operate, and maintain domestic and irrigation water lines and related fixtures along, under and across present and future public streets, alleys and highways, except state highways, within the unincorporated area of Pinal County, Arizona, as described in the Application, which is made a part hereof.

Grantee unconditionally accepts the franchise and covenants to faithfully comply with, abide by, to observe and perform all the provisions, terms and conditions of the Third Amended Franchise. Grantee accepts such provisions, terms and conditions and expressly waives any and all objections to the reasonableness or legality of any provisions of the same or any part thereof, or as to the legal right or authority of the County of Pinal to impose the same.

Grantee declares that the statements and recitals in said Third Amended Franchise are correct, and Grantee declares it has made and does make the agreement, statements and admissions in said Third Amended Franchise recited to have been or to be made by Grantee.

ACCEPTANCE OF EXPANDED AND AMENDED FRANCHISE

To: Board of Supervisors Pinal County, Arizona

Grantee, Queen Creek Water Company, a(n) Arizona corporation, does hereby accept the May 16th, 2001, grant of a Third Amended Franchise from Pinal County, Arizona, to construct, operate, and maintain domestic and irrigation water lines and related fixtures along, under and across present and future public streets, alleys and highways, except state highways, within the unincorporated area of Pinal County, Arizona, as described in the Application, which is made a part hereof.

Grantee unconditionally accepts the franchise and covenants to faithfully comply with, abide by, to observe and perform all the provisions, terms and conditions of the Third Amended Franchise. Grantee accepts such provisions, terms and conditions and expressly waives any and all objections to the reasonableness or legality of any provisions of the same or any part thereof, or as to the legal right or authority of the County of Pinal to impose the same.

Grantee declares that the statements and recitals in said Third Amended Franchise are correct, and Grantee declares it has made and does make the agreement, statements and admissions in said Third Amended Franchise recited to have been or to be made by Grantee.

Dated this 22ND day of JUNE, 2001.

QUEEN CREEK WATER COMPANY

By: Paul T. Gardner
Title: PRESIDENT

STATE OF ARIZONA)
) ss.
County of)

The foregoing instrument was acknowledged before me this 22nd day of June, 2001, by Paul T. Gardner, President of Queen Creek Water Co a(n) Arizona corporation, and being authorized to do so, executed the foregoing instrument on behalf of the corporation for the purposes therein stated.

Connie Speelman-Harris
Notary Public

My Commission Expires:

Aug. 16, 2004

